

Message Text

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46

ACTION ARA-20

INFO OCT-01 AF-10 EUR-25 EA-11 NEA-14 ISO-00 ARAE-00

AEC-11 AID-20 CEA-02 CIAE-00 CIEP-02 COME-00 DODE-00

EB-11 FEAE-00 FPC-01 H-03 INR-10 INT-08 L-03 NSAE-00

NSC-07 OMB-01 PM-07 RSC-01 SAM-01 SCI-06 SP-03 SS-20

STR-08 TRSE-00 PRS-01 PA-04 USIA-15 FRB-02 DRC-01

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P R 111730Z JUL 74

FM AMEMBASSY CARACAS

TO SECSTATE WASHDC PRIORITY 4625

INFO AMEMBASSY ABU DHABI

AMEMBASSY BEIRUT

AMEMBASSY JAKARTA

AMEMBASSY JIDDA

AMEMBASSY KUWAIT

AMEMBASSY LAGOS

AMEMBASSY LIMA

AMEMBASSY LONDON

AMEMBASSY PORT OF SPAIN

AMEMBASSY QUITO

AMEMBASSY TEHRAN

AMEMBASSY TRIPOLI

AMEMBASSY VIENNA

AMCONSUL DHAHRAN

USMISSION OECD PARIS

UNCLAS CARACAS 6378

E.O. 11652: N/A

TAGS: ENRG, VE

SUBJECT: INFORMAL TRANSLATION OF VENEZUELAN STATEMENT ON
BENNET TESTIMONY

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REF: CARACAS 6373

1. FOLLOWING IS INFORMAL TRANSLATION OF STATEMENT MADE BY VENEZUELAN MINISTER OF MINES AND HYDROCARBONS IN REACTION TO BENNETT'S TESTIMONY.

2. (QUOTE) IN A RESOLUTION ISSUED JOINTLY BY THE TREASURY AND THE MINES AND PETROLEUM MINISTRIES ON 28 JUNE, THE NATIONAL GOVERNMENT DECIDED TO ADJUST THE EXPORT PRICE OF LIGHT CRUDES. THIS DECISION--WHICH WAS REPORTED IN DUE TIME TO THE OTHER MEMBERS OF THE ORGANIZATION OF OIL EXPORTING COUNTRIES (OPEC) DURING THE RECENT OPEC CONFERENCE IN QUITO--WAS MADE BY THE NATIONAL GOVERNMENT AFTER CONDUCTING AND EXHAUSTIVE ANALYSIS OF INTERNATIONAL MARKET CONDITIONS. THE POLITICAL BASIS OF THIS MEASURE, IS, OF COURSE, THE FULL AND IRREVOCABLE EXERCISE OF NATIONAL SOVEREIGNTY, WHICH IS BEST REFLECTED BY SAFEGUARDING VENEZUELA'S HIGHEST INTERESTS.

3. OVER THE PAST FEW MONTHS THE MINES AND PETROLEUM MINISTER HAS INSTRUCTED THE OIL CONCESSIONAIRES AND THE VENEZUELAN PETROLEUM ENTERPRISE (CVP) TO CUT BACK THEIR RESPECTIVE PRODUCTION VOLUMES. THESE MEASURES--WHICH TO DATE HAVE RESULTED IN A REDUCTION OF APPROXIMATELY 200,000 BARRELS A DAY--WERE ADOPTED ON THE BASIS OF TECHNICAL CONSERVATION CRITERIA, WHICH CONSTITUTE ONE OF THE BASIC PRINCIPLES OF VENEZUELA'S OIL POLICY.

4. TODAY, 10 JULY 1974, THE NATIONAL PRESS PUBLISHED DISPATCHES FROM WASHINGTON TO THE EFFECT THAT U.S. TREASURY DEPUTY UNDER-SECRETARY JACK F. BENNET HAD STATED: "IN MY OPINION, ANY FURTHER CUTBACKS IN OIL PRODUCTION BY ANY GOVERNMENT AT THIS TIME WOULD BE CLEARLY REGARDED BY THE UNITED STATES AND ANY OTHER CONSUMING NATION AS A COUNTER-PRODUCTIVE MEASURE. THERE ARE THOSE IN THE PRODUCING COUNTRIES WHO ARE URGING THEIR GOVERNMENTS TO MAKE A NEW, SHARP CUTBACK IN PRODUCTION TO TRY TO MAINTAIN TODAY'S HIGH PRICES OR EVEN TO TRY TO INCREASE THEM AGAIN"

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5. ALTHOUGH THE OFFICIAL TEXT OF THE STATEMENTS PRESUMABLY MADE BY MR. BENNET IS NOT AVAILABLE, WE FEEL IT IS OPPORTUNE TO REITERATE THAT IN FIXING OIL EXPORT PRICES AND ESTABLISHING ITS PRODUCTION PROGRAMS AND VOLUMES VENEZUELA IS GUIDED SOLELY BY NATIONAL INTERESTS AND RELIES FIRMLY ON A REAL EXERCISE OF VENEZUELAN STATE SOVEREIGNTY WHICH, AS FAR AS THE PROTECTION OF NATURAL NONRENEWABLE RESOURCES IS CONCERNED, HAS BEEN REAFFIRMED ON SEVERAL OCCASIONS BY THE MAIN

U.S. BODIES. HOWEVER, THIS FACT HAS NO KEPT VENEZUELA FROM FULFILLING OR BEING WILLING TO FULFILL ITS INTERNATIONAL COMMITMENTS.

6. HIS EXCELLENCY THE PRESIDENT OF THE REPUBLIC CARLOS ANDRES PEREZ HAS BEEN CLEAR IN THIS RESPECT. IN FACT, ON 16 MAY 1974, WHEN HE TOOK THE OATH OF OFFICE OF THE REVERSION COMMITTEE, HE STATED: "WE ARE ASSUMING THE RESPONSIBILITY FOR MANAGING OUR OIL FOR THE BENEFIT OF VENEZUELANS AND THE INTERNATIONAL COMMUNITY WITHOUT OVERLOOKING THE OBLIGATIONS THAT HAVE BEEN UNDERTAKEN FOR THE TRADITIONAL BENEFITS OF ITS PRODUCTS. SUCH DUTIES ARE COMPATIBLE WITH THE EXERCISE OF OUR SOVEREIGNTY WHICH WE CANNOT SHARE' HE FURTHER STATED THAT: 'TO THE COUNTRIES WHICH RECEIVE OUR PETROLEUM, I CAN ASSURE YOU IN THE NAME OF THE NATION, THAT WE WILL NOT TRAMPLE ON ANYONE ELSE'S LEGITIMATE RIGHTS OR FAIL TO FULFILL THE OBLIGATIONS THE COUNTRY HAS FREELY UNDERTAKEN IN ACCORDANCE WITH VENEZUELAN CONSTITUTIONAL NORMS'

7. CONSEQUENTLY, PURSUANT TO THE CRITERION AND INSTRUCTIONS OF HIS EXCELLENCY THE PRESIDENT OF THE REPUBLIC, THE AFORE-MENTIONED MEASURES WILL BE MAINTAINED IN EFFECT AS LONG AS THIS SUITS NATIONAL INTERESTS. END QUOTE.
MCCLINTOCK

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: PETROLEUM, PRICE TRENDS, US CONGRESSIONAL PRESENTATIONS, FOREIGN POLICY POSITION
Control Number: n/a
Copy: SINGLE
Draft Date: 11 JUL 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974CARACA06378
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D740185-0654
From: CARACAS
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t19740759/aaaabybt.tel
Line Count: 140
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION ARA
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: CARACAS 6373
Review Action: RELEASED, APPROVED
Review Authority: shawdg
Review Comment: n/a
Review Content Flags:
Review Date: 18 OCT 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <18 OCT 2002 by ThomasVJ>; APPROVED <17 JAN 2003 by shawdg>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: INFORMAL TRANSLATION OF VENEZUELAN STATEMENT ON BENNET TESTIMONY
TAGS: ENRG, VE, US, (BENNETT)
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005